



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2009 REGULAR SESSION

HOUSE BILL NO. 202

AS ENACTED

FRIDAY, MARCH 13, 2009

RECEIVED AND FILED
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TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Heller

AN ACT relating to watercraft.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1 ➔ Section 1. KRS 136.1801 is amended to read as follows:

2 As used in KRS 136.1801 to 136.1806:

3 (1) "Corporation" means any corporation, company, association, partnership, limited
4 liability company, limited liability partnership, other business association, or person
5 operating any watercraft for commercial purposes in the Commonwealth;

6 (2) "Watercraft" means any boat, towboat, pushboat, barge, or similar vessel.
7 Watercraft shall not include:

8 (a) Floating equipment used in construction, including but not limited to dredges,
9 pile drivers, and flats;

10 (b) Houseboats;

11 (c) Fishing boats;

12 (d) Pleasure boats; or

13 (e) Commercial dining boats;

14 (3) "Department" means the Department of Revenue;

15 (4) "Operating" or "operated" means owned, leased, rented, or used;

16 (5) "Local taxing district" means a local taxing jurisdiction or district, including a
17 county, city, charter county, school district, consolidated local government, urban-
18 county government, and special taxing district, which has a navigable waterway
19 within its borders; and

20 (6) "Navigable waterway" means and shall include the following:

21 (a) All of the Mississippi River within or bordering this state;

22 (b) All of the Ohio River within or bordering this state;

23 (c) The Kentucky River beginning at Ohio River mile marker 545.8 and ending at
24 Kentucky River mile marker 65[76];

25 (d) The Green River beginning at Ohio River mile marker 784.4 and ending at

- 1 Green River mile marker 108.9~~[143]~~;
- 2 (e) The Tennessee River beginning at Ohio River mile marker 934.5 and ending
3 at Tennessee River mile marker 62.4;
- 4 (f) The Cumberland River beginning at Ohio River mile marker 922.5~~[920.5]~~ and
5 ending at Cumberland River mile marker 74.7;
- 6 (g) The Big Sandy River beginning at Ohio River mile marker 317.2 and ending
7 at Big Sandy River mile marker 14.2;
- 8 (h) The Licking River beginning at Ohio River mile marker 470.2 and ending at
9 Licking River mile marker 7~~[8]~~; and
- 10 (i) Any other waterway in this state utilized by a corporation for the
11 transportation of watercraft during the previous calendar year.

12 ➔Section 2. KRS 136.1803 is amended to read as follows:

13 On or before May 15, 2009~~[January 1, 2008]~~, and each May 15~~[year]~~ thereafter, each
14 corporation operating watercraft within this state during the previous calendar year shall
15 file on forms prescribed by the department, a detailed description of all watercraft it
16 operated as of January 1 of the current year.

17 ➔Section 3. KRS 136.1804 is amended to read as follows:

- 18 (1) The department shall notify the corporation of the assessed value of its watercraft~~{~~
19 ~~by July 1 of}~~ each year, as soon as possible after rates set by local authorities are
20 provided to the department. The corporation shall have forty-five (45) days from
21 the date of the department's notice of assessment to protest as provided by KRS
22 131.110.
- 23 (2) No appeal shall delay the collection or payment of taxes based upon the assessment
24 in controversy. The corporation shall pay to the department all state and local taxing
25 district taxes due on the undisputed value of its watercraft as stated in the protest
26 filed under KRS 131.110. When the valuation is finally determined upon appeal, the
27 corporation shall be billed for any additional tax and interest at the tax interest rate

1 as defined in KRS 131.010(6) from the date the tax would have become due if the
2 assessment had not been appealed. The provisions of KRS 134.390 shall apply to
3 the tax bill.

4 (3) The state and local taxing district taxes on the watercraft are due forty-five (45)
5 days from the date of notice of assessment. The tangible property taxes on
6 watercraft shall be collected in accordance with the provisions of KRS 134.020.

7 (4) The state rate of taxation on watercraft shall be forty-five cents (\$0.45) upon each
8 one hundred dollars (\$100) of assessed value of the watercraft.

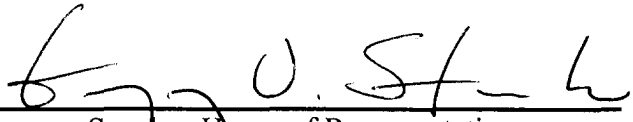
9 (5) The department shall annually calculate an aggregate local rate, which shall be
10 imposed upon each one hundred dollars (\$100) of assessed value of the watercraft.


11 (a) The aggregate local rate shall be the sum of each local personal property tax
12 rate for each local taxing district multiplied by a fraction, the numerator of
13 which shall be the length of the navigable waterways in the local taxing
14 district and the denominator of which shall be the total of the length of all
15 navigable waterways in this state. Both the numerator and the denominator
16 shall be adjusted, if necessary, by paragraph (b) of this subsection.

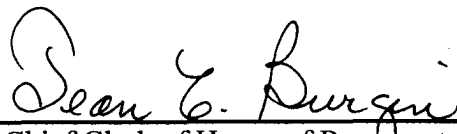
17 (b) For purposes of computing the local property tax rate in paragraph (a) of this
18 section, the length of the navigable waterways of the Green River shall be
19 reduced by fifty percent (50%) and the length of the navigable waterways of
20 the Kentucky River shall be reduced by seventy-five percent (75%).

21 (6) The watercraft taxes collected for local taxing districts by the department shall be
22 distributed to each local taxing district based upon the local taxing district's
23 fractional portion of the amount calculated in subsection (5) of this section.

24 (7) Prior to distribution of taxes to local taxing districts, the department shall retain an
25 administrative fee of one percent (1%) of the amount due each district. The fee
26 imposed by this subsection shall have no effect upon the discount provided to
27 taxpayers pursuant to KRS 134.020(2).


Speaker-House of Representatives


President of Senate

Attest: 
Chief Clerk of House of Representatives

Approved 
Governor

Date 3-20-09